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INDIAN OFFICE:



WRONGS DOING

AND

REFORMS NEEDED.

Philadelphia, January 8, 1874.

TO HIS EXCELLENCY, ULYSSES S. GRANT:

My Dear Sir:—Allow me to recall to your mind our first interview, a few days after your inauguration, when I was acting as chairman of a committee comprising Judge Strong, Hon. Eli K. Price, Mr. George H. Stuart, and others. We were drawn to you by the following paragraph in your inaugural address:

“The proper treatment of the original occupants of this land, the Indians, is one deserving of careful study. I will favor any course towards them which tends to their civilization, Christianization, and ultimate citizenship.”

To aid you in promoting this praiseworthy object, we tendered our co-operation and that of the large body of citizens whom we represented. In the course of our friendly discussion, it was admitted that frauds in the Indian Office and Service had become chronic and difficult of cure. We suggested as a remedial measure, the appointment by you, after procuring the authority of Congress, of a small board of unpaid commissioners, men of tried integrity, to have joint control with the Secretary of the Interior, over all appropriations for Indian service, and thus to lift this ser-

vice above political influences and other demoralizing tendencies.

You, and the then Secretary of the Interior, cordially assented to this proposal, and Secretary Cox drafted the first law that was enacted, thus: "The Board of Commissioners is to exercise joint control with the Interior Department over the disbursement of appropriations, &c."

You were pleased to appoint me on that Indian Commission, and my colleagues elected me their chairman. Owing to influences from without and from within the department, the sources of which were carefully concealed from that most excellent Secretary of the Interior, instead of giving the Board the joint control indicated in the Act of Congress, its powers were limited to that of a mere council of advice. Having a more thorough knowledge than some of my colleagues of the political power of the Indian Ring, and of the deep-seated malady in the Indian Office, and being unwilling to assume responsibilities without any power of control, I peremptorily resigned my commission, at the same time pledging myself to you that I would serve the cause as a private citizen with equal zeal and without cost of any kind to the Government. The propriety of my course became manifest in 1871, when the Indian Office was investigated by a Congressional Committee, and at this time it is, in my judgment, still more manifest.

Before I refer to the present lamentable condition of the Indian Office, allow me to thank you with all sincerity for your invariable kindness to me during the five years in which I have, at much cost of time and money, co-operated with you in your noble effort to save the remnant of our American Indians, and thereby to remove a fearful stigma from the nation. We all owe you a debt of gratitude for taking Indian Agencies from those who ordinarily were using them as party spoils, and for transferring them to the care of religious bodies, who expend hundreds of thousands of dollars annually in successful efforts to civilize and Christianize Indians. Again, when under authority of law you

deprived the Governors of Territories of their *ex-officio* right to the superintendency of Indian affairs, you eradicated one of the most prolific sources of the evils from which the Indian Service in our Territories and new States is slowly recovering. As you have been fully sustained in these and other heroic acts, and as your Indian policy is no longer experimental, the present condition of the Indian Office should not create any despondency, for I feel sure that Congress and the people will sustain you in applying a thorough remedy.

At our recent appointed interview, I felt constrained to inform you that since the last letting of contracts for supplies, a powerful Indian Ring, comprising men whom I named to you, had been formed, and that in some unaccountable way it had acquired such an influence in the Interior Department that, if unchecked, it would undermine your merciful policy by destroying the confidence of Congress, and thus hindering the appropriations necessary to promote Indian civilization. As you will remember, I further said that my belief in the integrity of the Secretary of the Interior had not been impaired, and that having thoroughly cordial relations with him, I desired to exert every persuasive influence before invoking your aid. As these efforts have failed to procure the reforms in the Indian Office necessary to protect the Indian and the Government, I now present the case to you in an open letter, as I do not feel free to confer with you privately about the duties of a Cabinet officer.

I notified Mr. Delano, as a friend, that he was surrounded by influences that were operating adversely to the interests of the Government and the Indian. He insisted upon my preferring specific charges against his officers, instead of looking into the office of the Second Auditor, and also into the Returns Office himself. He could in the latter office have seen that the law was constantly violated by keeping contracts from public observation, although there is a penalty of imprisonment if each contract is not speedily recorded in that office, where it is to be kept open for public inspection. The Secretary of the Interior was, until I recently advised

him, kept in ignorance of a contract made by Agent Smith, now the Commissioner of Indian Affairs, on the 8th day of November, 1872, for the illegal and, as I believe, the otherwise wrongful sale of immense bodies of pine timber, without the knowledge of some of the Indians to whom it belongs, and against the openly expressed wishes of other bands who own a portion of it. The commissioners for investigating half-breed scrip, Agent Smith and Judge Jones, one of the present examining commissioners, had previously reported timber, said to be far less valuable than this, to be worth \$2.50 to \$3 a thousand, and yet this contract was made at \$1.15 a thousand, without advertising, or in any other way inviting competition. A portion of this timber had been previously sold by Agent Smith to Clark at \$1.35 per thousand, and Clark testifies that he was willing to give that price for the whole, but Agent Smith said that he could not sell it. Agent Smith subsequently notified Clark that the contract he had entered into with him was void, because the Indians at Oak Point had determined not to sell their pine timber. Subsequently this timber, with large bodies of timber belonging to other Indians who had not been consulted, was sold to A. H. Wilder at \$1.15, as before referred to.

It is true that this contract received the approval of that most honorable gentleman, General F. A. Walker, the then Commissioner of Indian Affairs. His explanation is given in the following extracts from letters written by him to me, dated December 5 and 18, and to General B. R. Cowen, Assistant Secretary of the Interior, dated November 13, 1873. General Walker sent a copy of the latter letter to me, from which it appears that General Cowen was a party to the negotiation.

(December 5.) "With reference to the specific matter of your inquiry, I would say that I do not remember ever to have heard of the refusal of the Indians at Oak Point to allow the Clark contract to be consummated until I learned it from you at our interview at the Ebbitt House, on Saturday last. If it was ever reported to the office, it either never

reached my eye, or I was inexcusably heedless in respect to it, for I cannot recall the circumstance."

(December 18.) "Agent Smith was thoroughly cognizant of the situation, yet he recommended the sale of the timber, and approved the terms of sale in detail and as a whole."

November 13, to General Cowen.—"Mr. Smith, then agent for these Indians, now Commissioner of Indian Affairs, being at the time in Washington, represented to the office in very strong terms the inadequacy of the provision that would be effected by the sale of the timber first offered" [to Wilder, being the same timber that had been sold by contract to Clark] "and the necessity of doing something more to relieve the Leech Lake Indians from the miserable condition of vagabondage and almost of starvation in which they were." "In the matter of a fair price for the whole body of the timber I had a reasonable reference to the judgment of Agent Smith, who stated that he was fully conversant with this location, and deemed the sum named to be reasonable and adequate." "The question submitted by Agent Smith seemed in effect to be whether the Indians should be permitted to starve in possession of valuable property which they could not use, or whether that property should be put into a form which would allow them to receive their own self-support." "Certain I am that it was this view of the case, as presented by Mr. Smith, which determined me to recommend that the department entertain Mr. Wilder's proposition for the entire body of the Leech Lake timber, and accept the same on two conditions—first, that a fair price could be obtained for the whole; second, that Mr. Wilder would make payment in advance of a considerable sum (I think \$50,000 was the sum mentioned) to enable the agricultural improvements to be commenced with the opening of spring. Upon the question in this form the consultation between you, Mr. Smith, and myself, was free and informal." "We are all responsible, therefore, each in his own place and degree; you and I for giving undue weight to the representations of the agent, the agent for making

representations which, if false, he must have known to be false." "The amount which Mr. Wilder was required to deposit in advance to the order of the Indian Office, and the substantial bonds required from him for the proper completion of his contract, &c." If Mr. Wilder paid the \$50,000 of advance money, it is certain that no part of it ever reached the United States Treasury, or that not one dollar of it was expended for the relief of these poor, perishing Pillager Chippewas. General Walker, who still has confidence in the good intentions of Agent Smith, was evidently hastened into an approval of the contract without the knowledge that the rightful owners of part of the timber had refused to let it besold; without the knowledge that it had not been advertised, or the sale open to fair competition, and under the belief that Indians, turbulent through starvation, yet desiring implements of husbandry and seeds, would be relieved in the early spring. By reference to the report of Gen. Terry, you will learn that no implements of husbandry or seeds were sent to these Indians, and that, consequently, they are disheartened and almost starving. Even the \$10,000 which was to have been paid under the terms of the contract on the 1st day of May, was not received into the Treasury until after the exposure of this stupendous iniquity. If the whole truth in relation to this and other similar transactions in that region is brought to light, I fear that the band of white pillagers will outnumber their red brethren of that name. Secretary Delano appointed four commissioners to examine this and other alleged irregularities of Agent Smith, and they, supposing that they had power to subpoena witnesses, summoned me before them at St. Paul, Minnesota. I had not thought of preferring charges against Agent Smith until after the receipt of that summons, when, being unable to attend in person, I prepared charges at the request of Secretary Delano. I append a paper from my attorneys, who withheld the copy of my charges that I had sent to them, because, as they say, in the midst of a community personally interested in these lucrative contracts, an exami-

nation by a commission without power to compel the attendance of witnesses "can result in little more than a farce." After I heard that, instead of handing to my attorneys the copy of my letter that I had enclosed to the commissioners, they were going through the form of an investigation, I telegraphed them that Inspector Daniels, who was present in St. Paul, at the request of the Secretary of the Interior, could invoke the aid of the Federal court, and thus enforce the attendance of witnesses.

From the reply of the commissioners I infer that they are quite content with the examination of parties to the contract and others like-minded, allowing the presence of an attorney for the accused, without having any one present to conduct the prosecution. The verdict of such examiners can have little influence upon the mind of any disinterested person. I stand ready to verify before a competent tribunal every charge that I made against *Agent* Smith, or openly to retract them, and also to add numerous charges against his conduct as *Commissioner* of Indian Affairs, such as the following:

Without consulting the Board of Indian Commissioners in accordance with a specific law of Congress, and without advertising, Commissioner Smith made extensive private contracts with A. H. Wilder and others, for supplies and for freight, and substituted corn for contract flour, and barreled pork for contract bacon. Some of the vouchers approved by Commissioner Smith for the expenses of Indians visiting Washington, give evidence of fraud, and surely there was great extravagance in the allowance of forty-five dollars per trip to a clerk in the Indian Office for railroad fares from New York to Washington and back, each time he spent Sundays with his family; also, six dollars a day for expenses, in addition to his regular salary. These are mere illustrations that chance to be before me at the moment, and although trifling in amount, yet they give indications of the general management of the office. I do not claim that the Secretary of the Interior is accountable for all these

irregularities, as vouchers are often passed in spite of his remonstrances. Thus, there had been a persistent attempt for a long time to foist upon the department a quack nostrum of doubtful morality. Commissioner Smith purchased it to the extent of five thousand dollars, and having directed that it should be charged to the appropriation for *vaccine virus*, it was for this cause brought to the notice of the Secretary of the Interior, and by him disallowed, as on former occasions. It was, however subsequently approved in the Secretary's office, and charged to other appropriations. This serves as an illustration of my statement that the Secretary of the Interior should not be made responsible for all the acts of those under him. I will, however, refer to acts for which he is directly responsible. When the Assistant Secretary of the Interior visited Indian agencies, he was allowed, in addition to all his expenses, eight dollars a day, whilst receiving salary as a Government officer.

This violation of the law, although unimportant in amount, is ruinous to the morality of the department, as it practically sanctions still greater irregularities by others who hold inferior offices.

The Board of Indian Commissioners will assemble in Washington about the middle of this month, and from them you can learn the particulars of their recent efforts to check irregular and fraudulent practices, and their want of success in these efforts. Since the last public letting of contracts for supplies, the contractors have combined, and seem to possess greater practical influence in the Interior Department than the Board of Indian Commissioners. Vouchers, I learn, to the extent of nearly half a million of dollars, were rejected by the Board of Indian Commissioners, under the belief that they were fraudulent, illegal, or irregular, and yet most of these have been paid by order of the Secretary of the Interior. A beef contractor, whose fraudulent practices are on record in the Interior Department, and whose bids were consequently rejected by the Board of Indian Commissioners, was allowed to sub-let the contracts for the last fiscal year.

To guard against the recurrence of this glaring wrong, the Board of Indian Commissioners caused the following paragraph to be inserted in the proposals for supplies for the current fiscal year: "No contract, or part thereof, will be permitted to be assigned or filled by other parties, without the written consent of the Secretary of the Interior."

I was invited to be present at the opening of these bids, and was privy to the fact that the Board of Indian Commissioners endeavored to avoid the possibility of the recurrence of the wrongs of the previous year. They divided the contract for cattle between residents in Minnesota, in Nebraska, and in Kansas, and yet the same objectionable contractor has been permitted to purchase one or more of the shares, and to supply the cattle for the other contractor or contractors, with the full knowledge of the Interior Department. When awarding contracts for cattle and for freight, we were all surprised at the urgency of General Cowan, Assistant Secretary of the Interior, and of Indian Commissioner Smith, that large contracts should be given to A. H. Wilder, of Minnesota. The Commissioners telegraphed to Minnesota, and found his mercantile standing good, but they were left in ignorance of the fact that five months before that time the somewhat notorious contract for pine timber had been concluded by Mr. Smith, and approved by General Cowan, Acting Secretary of the Interior, without having been reported to Secretary Delano, as he testifies. Had this fact been known, I am satisfied that the Board of Indian Commissioners would not have approved the contract with Wilder, and certainly they would not have removed the objections urged against Agent Smith in the Senate, when his name was brought before it for confirmation as Commissioner of Indian Affairs.

At your request, the Board of Indian Commissioners will undoubtedly report the extent of purchases and contracts for supplies and for freight made without conference with them, and of vouchers paid without having been submitted to them, in accordance with a law of Congress, well

known to the Secretary of the Interior and the Commissioner of Indian Affairs.

I do not ask your help in cancelling the illegal and the fraudulent contracts for pine timber. The Secretary of the Interior has already suspended action under them, and if neither he nor Congress see fit to annul these contracts, the rights of the Indians can be sufficiently protected by the courts in Wisconsin and Minnesota.

I do respectfully but earnestly ask your aid and that of Congress in producing such a reform in the Indian Office as will protect the interests of the Indian and of the Government, and insure the continuance of the humane policy that has, from my own observation, been more successful than even the best friends of the Indian dared to hope for.

Congress is, to a certain degree, responsible for a part of the wrong. A salary of three thousand dollars a year is entirely inadequate to secure all the time of an intelligent and competent Commissioner of Indian Affairs. Salaries varying from six to ten thousand dollars and upwards are paid in our insurance companies and banks to officers of less capacity than is required properly to manage the Indian Office.

A salary of twenty-five hundred dollars a year to each Indian Agent would be true economy. In some cases the religious bodies pay the United States Indian Agent a salary in addition to the fifteen hundred dollars received from the Government, because they find that sum wholly inadequate to secure honest men with sufficient capacity for that office. This divided responsibility should be avoided, and it is rather humiliating to the Government to have charitable associations eke out the salaries of its officers, and wholly irregular for Government Agents to have two paymasters. When agents purchased the office with money or political service, and were expected to enrich themselves at the expense of the Indians, the salary was a small portion of the income. Now they are instantly removed from office if known to yield to temptations that still have great power through long usage.

Agents with families, living on \$1,500 a-year, where food is costly, and obliged to entertain strangers because of the absence of other houses, and to assist sick and poor Indians, are of necessity straitened. Poverty and debt decrease respect for the Government, and often weaken moral principles. At such a juncture men who had withstood other temptations have yielded to the persuasive overtures of contractors and speculators in pine timber. The power of these temptations is frequently increased by an alleged or real influence in the Interior Department. Sometimes the agent, when entering upon his duties, finds his reservation under the control of contractors, and, before he becomes aware of it, he has appended his signature to vouchers certified to by his employés. The discovery of this has, in several cases, demoralized the agent and placed him under the control of the experienced employé. That contractors known to be adepts in this form of villainy have influence in the Interior Department is an undeniable fact, causing much anxiety to some of the best friends of Indian civilization.

If the whole Indian service could be placed under the entire control of the Society of Friends, the many forms of demoralization, now so baleful in their influence, could be checked, Indian civilization promoted, and I do believe a million of dollars a-year saved by the Government. There is a devotion to this cause in the Society of Friends that I do not find as marked in any other religious body, and this, with their large experience, gives them peculiar facilities in procuring and supervising conscientious agents. Such a plan, if practicable, would not interfere with the missionary operations of other religious bodies, and, indeed, some of them would prefer to confine themselves to their legitimate work, allowing the governmental or secular duties to devolve on others better fitted for it. This, however, may be impracticable; but there is a change in the conduct of the Indian Office that I think can be made advantageously. I understand that in the Treasury Department the entire

appropriation for Indian service is included in one general Indian account, although Congress at much labor itemizes its appropriations. There is, therefore, no sufficient check upon the Indian Office, and upon examination it will, no doubt, be found that the directions of Congress are not always regarded. Thus, the \$5,000 spent for quack medicine was directed to be charged to an account that should have covered vaccine virus only. The sum of \$710.31 allowed to the clerk before referred to as car fare, at three times its actual cost, is endorsed as follows: "Approved: charge appropriation for incidental expenses, Indian service in Dakota. Edwin P. Smith, Commissioner." If the items in the appropriation bill are not to be regarded, the expenditure is at the discretion of the Interior Department, and it will be much more satisfactory hereafter to appropriate a specific sum. A reform in legislation for Indians was commenced last year by preventing the use of appropriations in advance of the fiscal year, and by remanding the unexpended balance back into the Treasury. The absence of such a law has hitherto been a fruitful source of demoralization.

The uniform courtesy with which I have been treated in the Interior Department makes this frank statement of wrongs a painful duty, and yet it is one that I could not resist, because impelled by pledges made time and again to Indians and to their best friends. I desire it to be understood that I fault no well-intentioned person because of improper appointments to office, but only when such officers are allowed to remain after their incompetency could and should be known. I have counted the cost of making this public statement, and, as in former instances, I am quite prepared for misunderstandings and misrepresentations from parties who seem to glory in wronging the Indian and the Government. The usual course with such persons is to charge the fearless friend of the Indian with personal vindictiveness, that his influence may thereby be decreased. Having now performed my duty as a private citizen, I am quite content to leave the work of reform in the hands of

one upon whom the responsibility has been placed by the people of this land.

Yours, very respectfully,

WM. WELSH,

1122 Spruce Street.

LETTER FROM ATTORNEYS FOR THE PROSECUTION.

TO THE HON. NELSON J. TURNEY, WILLIAM R. JENNINGS, JAMES SMITH, JR., and T. C. JONES, *Commissioners* appointed to investigate charges made against EDWARD P. SMITH, late Agent of the Chippewa Indians of Minnesota:

Gentlemen:—Since informing you that we should prepare and present charges and specifications against Edward P. Smith, touching his official action as Indian Agent in Minnesota, we have received and examined various letters and documents which have been forwarded here by Mr. William Welsh, of the City of Philadelphia, for whom we appear as Attorneys, and have prepared such specifications as the information laid before us would seem to justify; but many of the charges can only be substantiated by the presence of witnesses who are scattered over, not only this State, but other States, and cannot be procured on the short notice given by you for the investigation. A number of parties have become interested in the Wilder, Merriam and Rust contracts, and the united influence of such interested parties is brought to bear to suppress the facts in connection with said contracts, and volunteer witnesses in support of the charges cannot be hoped for. There are many persons, as we have reason to believe, in this and other States, who could give material testimony, but who will not do so, unless compelled by legal process.

From many prudential considerations they are unwilling

to come into collision with Commissioner Smith, the Indian Department, and those interested parties who wish to uphold the contracts. We are informed also, that some important papers in connection with this inquiry have disappeared from the Indian Bureau at Washington, since Mr. Smith became Commissioner of Indian Affairs, and that the facts relating to the matter can only be shown by witnesses residing in the Eastern States.

We have therefore been considering the authority by which you are appointed, and your powers to enforce the attendance of witnesses, to administer oaths, and compel the production of papers, &c., for without these powers the investigation can result in little more than farce; and we are surprised to find that you possess none of these very essential powers for this investigation. We find no authority for your appointment to investigate the conduct of Commissioner Smith, except the general power that any bureau officer may possess to order an informal inquiry into the conduct of one of his subordinates. You have no power to subpœna a witness, or in any way compel his attendance, or compel the production of a paper, or to administer an oath, or compel a witness to testify if present, or, if testifying, to answer any question that he might not choose to answer. Under these circumstances, you can gain no information except such as is volunteered. Mr. Welsh has informed us, since your appointment, that Secretary Delano himself admits that you have not any of these powers. We must, therefore, in view of the want of jurisdiction and the necessary powers on your part in the premises, respectfully decline to appear before you in the matter.

We may further remark, that from copies of letters and papers before us, we are of opinion that a thorough investigation by a Commission clothed with these necessary powers, will reflect unfavorably upon the official conduct of Secretary Delano, from whom you hold your appointment.

Certain it is, that nothing but a Commission authorized by law, and empowered to compel the attendance of wit-

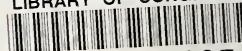
nesses and the production of papers, giving ample notice of the time of their meeting, can bring out the truth, or a semblance of it, in connection with the management of Indian Affairs in this State and Wisconsin, under Agent Smith. Before such a Commission we are at all times ready to appear, and prosecute our charges.

JNO. M. GILMAN,
GEO. L. OTIS,

Attorneys for Wm. Welsh and Harlan P. Hall.

St. Paul, Dec. 8th, 1873.

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